

MINUTES OF MEETING OF THE CORPORATIONS COMMITTEE
February 2, 2007

A regular meeting of the Corporations Committee (the “Committee”) of the Business Law Section of the State Bar of California was held at the San Francisco Airport Westin on February 2, 2007. Attendance was as follows:

MEMBERS PRESENT:

Derrick W. Britt
Nelson Crandall
Edward A. Deibert
Bruce Deming
Christopher Delfino
Samuel C. Dibble
Sharon R. Flanagan
Michael J. Froch
Matthew Gemello
Steve Harmon
Brian Lebrecht
Barbara Mathews
William R. Sawyers
Lemoine Skinner, III
Steven Stokdyk
James J. Thompson
Peter Wardle*
Suzanne Weakley
Russ Wood

MEMBERS ABSENT:

Peter Heinecke
Nina Hong
Mike Occhiolini
Deborah J. Rousch
Rose Sorensen
Jennifer Sostrin

LIAISONS AND GUESTS PRESENT:

Tim Le Bas – Department of Corporations*
Larry Doyle – Office of Governmental Affairs*
Daniel Weiser– Executive Committee

*Via Telephone

The minutes summarize discussion primarily in the order items were listed on the Agenda for the meeting previously circulated to members of the Committee, which is not necessarily the order in which the items were actually taken up at the meeting. The Committee did not take up those topics listed on the Agenda that are not described in these minutes.

I. Administrative Matters

1. Opening Remarks: The meeting was called to order by Co-Chair Wood at 9:30. All members, liaisons and guests introduced themselves. Mr. Wood noted the Committee’s appreciation of the efforts expended by the members on various projects undertaken and completed (!) during the first 4 months of the current term. Approval of the prior meeting minutes was deferred until the March meeting.

2. March Meeting: Mr. Delfino then provided an overview of the meeting logistics for the March meeting in Sacramento, to be hosted by the Department of Corporations, and the annual luncheon following the meeting.

II. Agency and Liaisons' Reports

1. Securities and Exchange Commission: No report.
2. NASD: No report.
3. Department of Corporations: Mr. Le Bas reported that the Department had recently received an audit report from the Bureau of State Audits and was currently evaluating several items noted therein. Mr. Le Bas then reported that the Department was examining various issues relating to fairness hearings and welcomed any views of the Committee members (anecdotal, editorial or otherwise).
4. Secretary of State: No report.
5. Office of Governmental Affairs: Mr. Doyle briefly noted that the new legislative session had recently commenced. The remainder of his report was provided in conjunction with Mr. Harmon's report referenced in Section III(I) below.
6. BLS Committee Liaison Reports:
 - A. ADR: Mr. Lebrecht provided a brief update of recent committee activities.
 - B. Corporate Law Departments: Ms. Mathews provided a brief update of recent committee activities.
 - C. Cyberspace Law: Mr. Thompson provided a brief update of recent committee activities.
 - D. Financial Institutions: No report.
 - E. Non-Profit Corporations: Mr. Sawyers provided a brief update of recent committee activities.
 - F. Partnerships and LLCs: Mr. Britt provided a brief update of recent committee activities.
 - G. UCC: No report.
 - H. Executive Committee: Mr. Weiser provided a brief report on recent Executive Committee activities.

III. SUBCOMMITTEE REPORTS

1. Legislation: Mr. Harmon reported on recent legislation.
 - A. ALP re Corporate Disclosure Act (CDA): No further report, as the search for a legislative sponsor of the ALP remains ongoing.
 - B. ALP re Close Corps: No further report, as the ALP remains under review of the Executive Committee.

C. New Legislation Update: Mr. Harmon covered summaries of bills enacted in memorandum format available on the Secretary of State's website. Messrs. Britt, Gemello and Sawyers, with Mr. Harmon, volunteered to review AB 251 (and its predecessor) and present their findings to the Committee at the March meeting.

G. Proposed Topics for New ALPs: Mr. Dibble reviewed Section 1101 of the Corporations Code and potential amendments. A full discussion ensued. Mr. Harmon presented a brief update on the evaluation of an ALP addressing spousal consents in corporate transactions.

2. Communications/ Website:

E-bulletin topics: Mr. Delfino reported on several matters relating to the Committee's E-bulletin initiatives.

Relocation to Extranet: Currently hosted by Fulbright but will ultimately be relocated.

Website: Mr. Delfino reported that the website should now be updated.

3. Education/ Publications: In Ms. Hong's absence, Mr. Wood review the schedule of upcoming programs and the topics submitted by the Committee for the 2007 Annual Meeting.

4. Litigation: The Committee, led by Mr. Deibert, discussed several recent cases that were included in the meeting materials.

IV. ONGOING PROJECTS:

1. Section 2115 Project: No update from the prior meeting's report.

2. Letter to Judicial Advisory Committee on Rule 502: Mr. Wood noted that the letter was submitted, a copy of which was included in the prior meeting materials.

3. Business Entity Name Issue: Mr. Thompson reported on his discussions with the Secretary of State's office concerning potential mechanisms to mitigate the risk of business entities being formed with names that were indistinguishable from entities with similar names.

4. Privilege Issues:

5. Opinion Projects: Mr. Gemello provided a brief update on the status of the supplement to the Committee's 2005 Opinions Report. Mr. Crandall then provided the Committee with an update on the Venture Capital Opinion project.

V. NEW BUSINESS: Mr. Wood reported that there is no new business to discuss.

Respectfully Submitted,

M. Gemello, Secretary to the meeting